FOR FRANCHISEES

The franchise insurance review checklist.

Check whether your current coverage is adequate. Answer each line, and act on the recommendation for any no.

Every policy looks complete. This finds what isn't.

RIKOR.

protectmyfranchise.com

Rikor Insurance Consultancy

HOW TO USE THIS

Answer every line. Act on every no.

Use this to evaluate whether your current insurance coverage is adequate. Answer each question yes or no. For any no, follow the recommendation to close the gap, then take it to your broker.

01 Insurance company evaluation

FINANCIAL RATING

Is the carrier rated A- VII or higher (A.M. Best)?

NO? →

Consider switching to a carrier with a higher financial rating for reliability.

FINANCIAL STABILITY

Have you reviewed any recent downgrades or financial trends for the carrier?

NO? →

Research the carrier's recent performance to ensure ongoing stability.

CARRIER STATUS

Is the carrier admitted in your state?

NO? →

Be aware that non-admitted carriers may lack state regulatory protections.

02 Quote validity

EXPIRATION CHECK

Is the quote still valid, and do you know the expiration date?

NO? →

Note the expiration date to avoid last-minute renewal issues.

RATE LOCK OPTION

Does the carrier offer a rate lock beyond 30 days?

NO? →

Ask about rate lock options to secure long-term premium stability.

EFFECTIVE DATE ALIGNMENT

Does the policy start date align with your business needs, particularly around opening dates?

NO? →

Confirm with your broker that coverage starts when you need it.

03 Coverage types

GENERAL LIABILITY

Does your policy cover bodily injury, property damage, and legal fees?	NO? →	Make sure your general liability policy meets these basic needs.

PRODUCT AND COMPLETED OPERATIONS LIABILITY

Are claims related to products or completed work covered?	NO? →	Ensure coverage extends to post-sale incidents and completed work claims.

PROPERTY COVERAGE

Are building, contents, tenant improvements, and business interruption included?	NO? →	Expand coverage to protect essential assets and revenue.

WORKERS' COMPENSATION

Does your policy include state-specific requirements for owners, officers, and subcontractors?	NO? →	Verify that workers' compensation aligns with your state's rules.

COMMERCIAL AUTO

Are all vehicles, drivers, and non-owned vehicles used for business covered?	NO? →	Review your policy to include all vehicles and drivers associated with your business.

CYBER AND CRIME INSURANCE

Does your policy include breach response and fraud coverage?	NO? →	Add cyber and crime coverage for data security and fraud protection.

ADDITIONAL COVERAGE TYPES

Do you have necessary coverages like employment practices liability or professional liability?	NO? →	Consult your broker to see if additional coverages suit your business needs.

04 Limits and deductibles

COVERAGE LIMITS

Are your policy limits adequate for your franchise's risk level?	NO? →	Increase limits to protect against larger claims.

DEDUCTIBLES

Are deductibles balanced to manage premiums and out-of-pocket costs?	NO? →	Adjust deductibles to balance affordability and claim costs.

05 Franchise-specific requirements

FRANCHISOR ADDITIONAL INSURED

Is your franchisor listed as an additional insured?	NO? →	Include the franchisor as required by your franchise agreement.

FRANCHISE DISCLOSURE DOCUMENT (FDD)

Do you meet all coverage requirements per your FDD?	NO? →	Review the FDD for any insurance mandates.

FRANCHISE AGREEMENT (FA)

Are your policies compliant with FA-specified coverages?	NO? →	Ensure your policies meet all FA coverage terms.

OPERATIONS MANUAL ADHERENCE

Are you aligned with the operations manual's risk management guidelines?	NO? →	Check that your insurance supports recommended practices.

06 Premium and payment terms

ANNUAL PREMIUM COST

Do you know the total annual premium cost and payment options?

NO? → Review premium costs and payment schedules to budget effectively.

DOWN PAYMENT

Is the initial payment amount manageable within your budget?

NO? → Discuss down payment flexibility with your broker if needed.

BILLING OPTIONS

Is billing aligned with your cash flow (monthly, quarterly, etc.)?

NO? → Choose a billing option that best suits your financial setup.

AUTO-WITHDRAWAL SETUP

Have you enabled auto-withdrawal to avoid missed payments?

NO? → Set up auto-pay to prevent late fees.

LATE PAYMENT FEES

Are you aware of penalties for late or missed payments?

NO? → Note any fees to avoid unexpected costs.

FINANCED PREMIUMS INTEREST RATE

Have you compared interest rates on financed premiums?

NO? → Shop around to find the most affordable financing.

07 Claims process

FILING PROCEDURE

Do you understand the steps and documentation needed for filing claims?

NO? → Review filing procedures with your broker.

ROUND-THE-CLOCK SUPPORT

Is 24/7 claims support available?

NO? → Ensure you can access support when needed.

CLAIMS TIMELINE EXPECTATIONS

Are you aware of expected processing times for different claim types?

NO? → Ask about typical timelines to set realistic expectations.

08 Additional considerations

POLICY EXCLUSIONS AND LIMITATIONS

Do you know what isn't covered under your policies?

NO? → Review exclusions to understand where you may need supplemental coverage.

NECESSARY ENDORSEMENTS

Are endorsements added to cover specific business risks?

NO? → Add endorsements as needed for extra protection.

CERTIFICATES OF INSURANCE (COIS)

Are you aware of turnaround times and any COI fees?

NO? → Check COI processing timelines to meet vendor or client requirements.

DISCOUNTS FOR BUNDLING

Have you explored multi-policy discounts?

NO? → Ask your broker about bundling options for savings.

SERVICE LEVEL AGREEMENTS (SLAS)

Are there clear timelines for policy changes and support responses?

NO? → Confirm SLAs with your broker for efficient service.

09 Annual policy review

MID-YEAR CHECK-IN

Do you have an annual review scheduled to adjust for any changes?	NO? →	Schedule an annual check-in to keep your policies up to date.

BUDGET AND RENEWAL TERMS

Are you aware of renewal terms and potential premium changes?	NO? →	Confirm renewal terms to avoid unexpected cost increases.

ADDENDUM · CONTRACTOR BONDING

If your franchise operations include contractor work, review these bonding items too.

10 General bond types

LICENSE BOND

Is a license bond required by your state?	NO? →	Confirm with your state licensing board if a license bond is required.

PERFORMANCE BOND

Are performance bonds required for project completion guarantees?	NO? →	Check project terms to see if performance bonds are necessary.

PAYMENT BOND

Do you need a bond to ensure payments to subcontractors and suppliers?	NO? →	Verify if a payment bond is required for your projects.

11 State-specific requirements

BOND AMOUNT REQUIREMENTS

Do you meet the minimum bond amount for your state?	NO? →	Adjust your bonding amount to meet state requirements.

PROJECT-SPECIFIC BONDS

Are additional bonds required for public or government projects?	NO? →	Review project requirements for any additional bonds.

WHAT'S NEXT

Act now to protect your franchise.

01 **Prioritize fixes**

Focus on high-risk areas like liability, compliance, and essential coverage gaps.

02 **Meet your broker**

Share your checklist and discuss solutions for missing or inadequate coverage.

03 **Ensure compliance**

Align policies with franchise and state requirements.

04 **Adjust policies**

Add missing coverages, increase limits, or update endorsements.

05 **Review regularly**

Schedule annual check-ins to keep your coverage current.

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